

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-191-E - ORDER NO. 2009-435

JUNE 26, 2009

IN RE: Progress Energy Carolinas, Inc.'s DSM/EE) ORDER APPROVING
Cost Recovery Rider Application) DSM/EE COST
) RECOVERY RIDER
) APPLICATION

This matter comes before the Public Service Commission of South Carolina (“Commission”) on an application filed by Progress Energy Carolinas, Inc. (“PEC”) to establish Rider DSM/EE-1 for recovery of the costs, net lost revenues, and incentives associated with PEC’s demand-side management and energy efficiency (“DSM/EE”) programs as allowed by Order No. 2009-373 in Docket No. 2008-251-E. PEC requests that Rider DSM/EE-1, which is considered experimental, become effective on July 1, 2009, to recover costs from the prior and test periods of September 1, 2007 through March 31, 2009, and for the rate period of July 1, 2009 through June 30, 2010. In order to provide sufficient time to complete a review of Rider DSM/EE-1, the Office of Regulatory Staff (“ORS”) requests that the Commission approve its implementation on a provisional basis.

Additionally, ORS recommends that Rider DSM/EE-1 be subject to refund with interest if PEC’s recoverable DSM/EE costs are less than those upon which Rider DSM/EE-1 is based. In such an occurrence, ORS proposes that PEC implement a revised

Rider based upon the Commission approved reduced recoverable DSM/EE costs, beginning with the first day of the calendar month 30 days following the Commission's decision, further reduced by the amount PEC over collected, with interest, between July 1, 2009 and the effective date of the revised Rider.

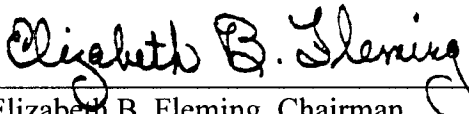
Since Rider DSM/EE-1 is considered experimental, we find that a hearing is unnecessary in this matter under S.C. Code Ann. § 58-27-870(F) (Supp. 2008). We also find that ORS's recommendations concerning implementation of Rider DSM/EE-1 are in the public interest.

IT IS THEREFORE ORDERED:

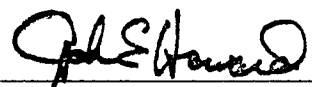
1. Rider DSM/EE-1 is provisionally approved to become effective on July 1, 2009 for the recovery of costs from the prior and test periods of September 1, 2007 through March 31, 2009 and for the rate period of July 1, 2009 through June 30, 2010.
2. Rider DSM/EE-1 shall be subject to refund with interest if PEC's recoverable DSM/EE costs are less than those upon which Rider DSM/EE-1 is based.
3. If an over collection occurs, PEC shall implement a revised Rider based upon the Commission approved reduced recoverable DSM/EE costs, beginning with the first day of the calendar month 30 days following the Commission's decision, further reduced by the amount PEC over collected, with interest, between July 1, 2009 and the effective date of the revised Rider.

4. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:


Elizabeth B. Fleming, Chairman

ATTEST:


John B. Howard, Vice Chairman

(SEAL)